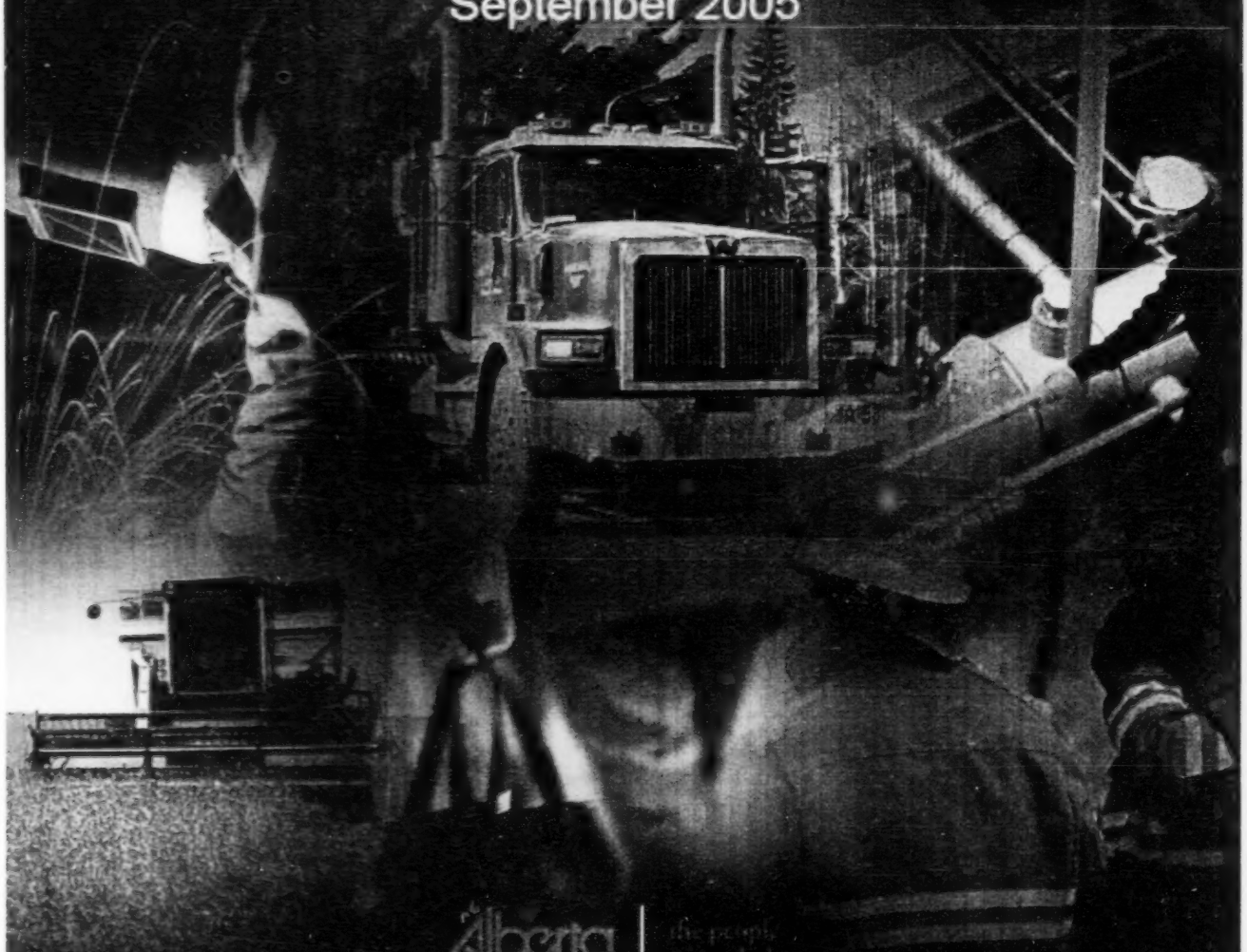
Alberta Regional Occupation Outlook: 2005-2010

Banff - Jasper - Rocky Mountain House Economic Region Summary Report

September 2005



Alberta
HUMAN RESOURCES AND EMPLOYMENT

Data Development and Evaluation

Alberta Regional Occupation Outlook: 2005-2010

Alberta Human Resources and Employment (AHRE) has continued to develop a regional occupation model that produces employment projections for 140 different occupations across Alberta and for the eight economic regions. This forecast is a useful tool for the Government of Alberta to help address related policy issues and to aid in developing responsive strategies.

The forecast summarizes expected employment by industry, occupation, and economic region. Industries are classified using the North American Industry Classification System (NAICS). Occupations are classified by the National Occupational Classification (NOC) system. For more information regarding these classification systems please visit the websites listed below.

This document provides a broad overview of the results of the forecast for the Banff-Jasper-Rocky Mountain House (RMH) Economic Region. A complete listing of the employment projections is available for all eight economic regions (47 occupations) and for Alberta (140 occupations) on the AHRE website listed below.

- **NAICS** - http://www.statcan.ca/english/Subjects/Standard/naics/2002/naics02-index.htm
- **NOC** - http://www23.hrdc-drhc.gc.ca/2001/e/generic/welcome.shtml
- **AHRE Employment Projections** - http://www3.gov.ab.ca/hre/lmi/occforecast.asp

Contents

Economic Outlook..... 2

Major Projects..... 4

Employment Outlook – Overall..... 5

Employment Outlook – by Industry..... 6

Employment Outlook – by Occupation..... 7

GDP is expected to grow by 2.3% annually

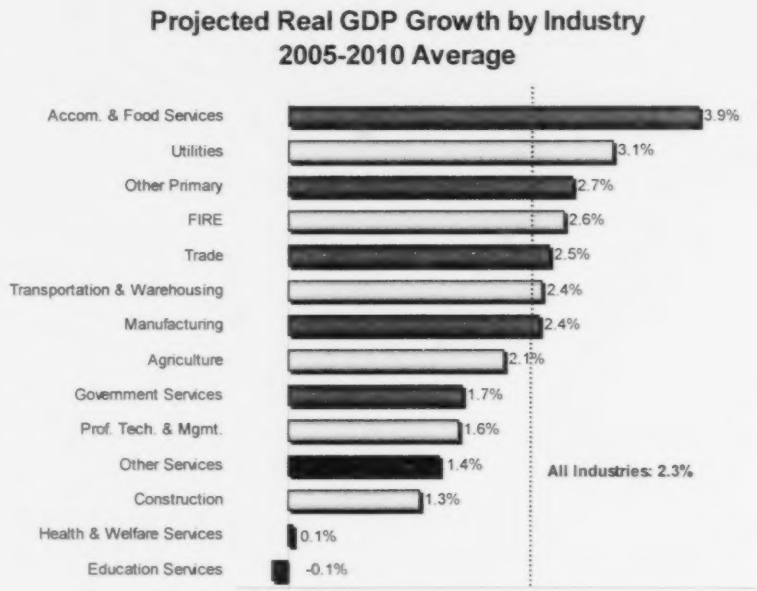
From 1994-2004, Alberta's economy was one of the fastest growing provincial economies in Canada. Gross Domestic Product (GDP) output in the province grew by an annual average of 3.8%. Employment in the province grew by more than 470,200 jobs over the past ten years. Over the forecast period of 2005-2010, GDP growth in Alberta is expected to average 3.3% annually. This is slightly higher than the expected average annual GDP growth of 3.2% for Canada.

The Banff-Jasper-RMH Economic Region currently contributes about 2.8% of Alberta's total GDP. Over the forecast period, GDP output in this region is expected to grow by 2.3% annually.

The Accommodation and Food Services industry will show strong GDP growth

The Accommodation and Food Services industry will show the highest average GDP growth of any industry, averaging 3.9% annually. The Banff-Jasper-RMH Economic Region is home to three national parks (Banff, Jasper and Waterton Lakes), which attract over 7 Million visitors each year. This strong Tourism sector is driving growth in the Accommodation and Food Services industry. Strong GDP growth is also expected in several other industries. Chart 1 shows the average GDP growth for all industries over the forecast period.

Chart 1



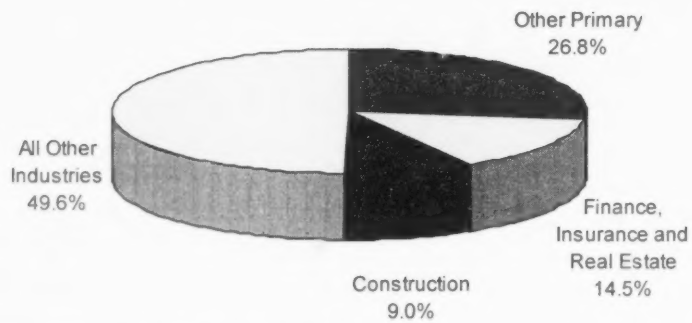
Source: Alberta Regional Occupation Outlook: 2005-2010

The Other Primary industry will account for an average of 26.8% of total GDP

In the Banff-Jasper-RMH Economic Region, the Other Primary industry (Oil, Gas, Mining, and Forestry) will account for nearly one third of total GDP output over the forecast period. Over half of the region's GDP comes from three industries (see Chart 2). Together, the Other Primary industry, the Finance, Insurance and Real Estate industry, and the Construction industry account for 50.4% of the region's total GDP. The importance of these industries is due largely to the vast forests and mountain ranges that cover the region. The natural beauty of the area makes it both a popular tourist destination and an ideal location for a second home or holiday cabin.

Chart 2

Industry Shares of Total GDP, 2005-2010



Source: Alberta Regional Occupation Outlook: 2005-2010

Major investment projects in the region are valued at over $1 Billion

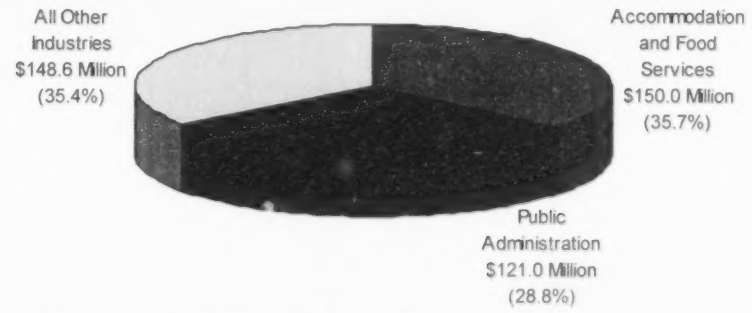
One of the most important factors to consider when estimating the future growth of a regional economy is the spending on major projects. The development of these projects creates jobs during planning, construction and upon completion. The list includes projects that are proposed, under construction or recently completed in the Banff-Jasper-RMH Economic Region. Only projects with a value of at least $2 Million are included. These projects have a significant effect on employment in the Construction industry and also create employment in many other industries such as Accommodation and Food Services and Other Primary.

Accommodation and Food Services related projects will account for 35.7% of total spending

Accommodation and Food Services related projects such as resort development will account for approximately 35.7% of all major project spending in the Banff-Jasper-RMH Economic Region (see Chart 3). The region's largest project is the development of the Three Sisters Resort renovations in Canmore. This project began in 2002 and is scheduled for completion in 2010 at a total cost of $150 Million. This project accounts for over one third of the total major project expenditures in the region. Chart 3 summarizes the major project spending in this region.

Chart 3

Industry Shares of Major Project Spending


All Other Industries $148.6 Million (35.4%)
Accommodation and Food Services $150.0 Million (35.7%)
Public Administration $121.0 Million (28.8%)

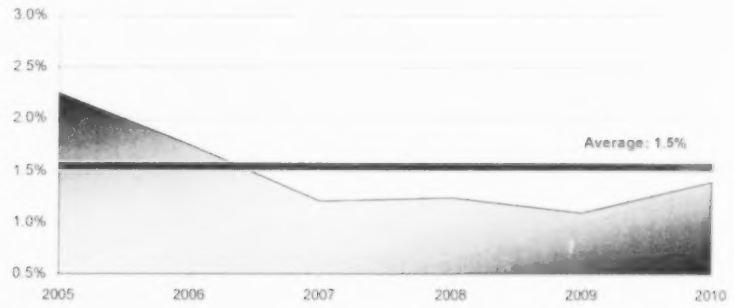
Source: Alberta Regional Occupation Outlook: 2005-2010

Employment growth is expected to average 1.5% annually

Over the forecast period of 2005-2010, employment in the Banff-Jasper-RMH Economic Region is expected to climb from 44,700 in 2004 to 48,800 in 2010. This represents an average growth rate of 1.5% annually and the creation of over 4,100 new jobs. The region's unemployment rate is expected to remain quite stable and will average 4.9% over the forecast period. As shown in Chart 4, the region's employment growth rate will remain drop until 2007 when it will remain relatively stable until 2009. The drop in employment growth is due to the completion of many of the region's major construction projects. As time passes, new projects may be announced that could reverse this trend. Also, the Tourism sector is expected to continue recovery in the coming years after suffering due to terrorism and severe acute respiratory syndrome (SARS) in recent years and this recovery could lead to added investment in the Banff-Jasper-RMH Economic Region.

Chart 4

Average Annual Employment Growth (%), 2005-2010



Source: Alberta Regional Occupation Outlook: 2005-2010

Over 4,100 new jobs will be created in the Banff-Jasper-RMH Economic Region

The Banff-Jasper-RMH Economic Region will generate over 4,100 new jobs over the forecast period of 2005-2010. Employment will continue to be based largely on the Accommodation and Food Services industry, which accounts for over 15% of total employment. The region will account for approximately 1.7% of all new jobs in Alberta.

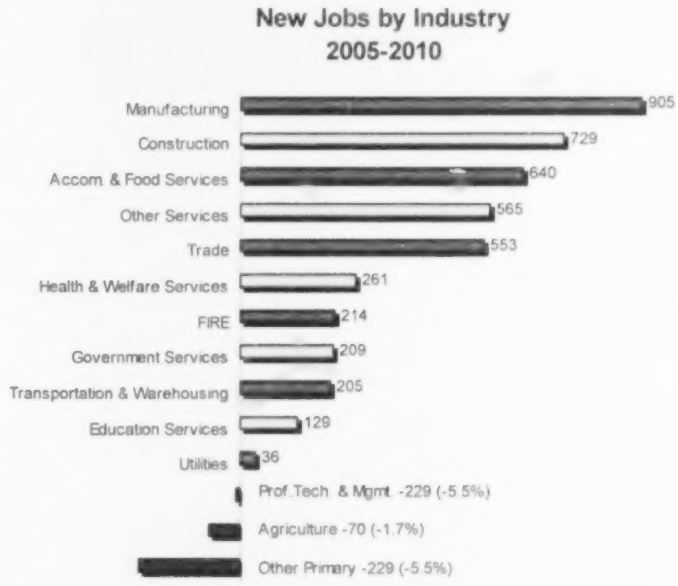
The Manufacturing industry will provide more new jobs than any other industry

The employment outlook is broken out into fourteen different industries. The Manufacturing industry is expected to generate over 900 new jobs over the forecast period, the most for any single industry (see Chart 5). Other industries generating a large number of new jobs include: Construction (+729), and Accommodation and Food Services (+640). The development of a major resort in the region and the resurgence of worldwide travel are fuelling employment growth in these industries.

Strong employment growth is expected in the Manufacturing industry

Several different industries are expected to show employment growth over the forecast period. The Manufacturing industry will average 5.5% annual growth. Other high growth industries include Other Services (+3.6%) and Construction (+2.2%).

Chart 5



Source: Alberta Regional Occupation Outlook: 2005-2010 *Share of total new jobs in brackets (%

The Motor Vehicle and Transit Driver occupation is expected to create more new jobs than any other occupation

At the 140 occupational level, the Motor Vehicle and Transit Driver occupation is expected to create over 161 new jobs from 2005 to 2010. This classification includes truck drivers, bus and subway drivers, taxi and limousine drivers and courier service drivers. An ageing workforce in this occupation along with the long distance between markets are contributing factors to the high number of new jobs in this occupation. Other occupations expected to generate a significant number of new jobs include: Retail Salesperson and sales clerk (+154), and Cleaners (+152). Please see Table 1 below.

High growth rates are expected in Occupations Unique to Processing, Manufacturing, and Utilities

Various different occupations Unique to Processing, Manufacturing, and Utilities are expected to experience high employment growth rates over the forecast period. The region is experiencing an increase in manufacturing investments, creating added demand for related professions. Among the fastest growing occupations are Mechanical, Electrical and Electronics Assemblers (+5.5%), Supervisors, Assembly and Fabrication (+5.5%), and Machine Operators and Related in Textile Processing (+5.5%). Low employment numbers in this region can create misleading growth rates for certain occupations. For example, these three occupations with the highest growth rates combine to create only 13 new jobs over the forecast period.

Table 1

New Jobs by Occupation, 2005-2010

NOC Occupations	New Jobs	Share of Total
Motor vehicle and transit drivers	161	3.9%
Retail Salesperson and sales clerks	154	3.7%
Cleaners	152	3.7%
Occupations in food and beverage services	146	3.5%
Managers in retail trade	136	3.3%
Labourers in processing, manufacturing and utilities	131	3.2%
Heavy Equipment operators	123	3.0%
Chefs and cooks	116	2.8%
Machinery and transp equipment mchnc(except motor vehicle)	102	2.5%
Machine operators and related in pulp/paper production	102	2.5%

Source: Alberta Regional Occupation Outlook: 2005-2010